



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

- years, compiled according to formula of Montgomery Rollins.* (London: Routledge; Boston: Financial Pub. Co. 1919. Pp. 161.)
- Management and executive control.* (Chicago: Shaw. Pp. xviii, 328.)
- Management. A selected list of books in the St. Paul public library.* (St. Paul, Minn: Public Library. 1919. Pp. 11.)
- Prices of Brazilian government bonds during the last fifty years.* (New York: Imbrie & Co. 1919.)
- Proceedings of the seventh annual convention of the Investment Bankers Association of America, held December 9, 10, 11, 1918.* (Chicago: 111 West Monroe St. 1918. Pp. 299.)
- Contains reports of the several committees, including those on railroad securities (pp. 30-37); fraudulent advertising (pp. 62-72); irrigation securities (pp. 78-80); public service securities (pp. 118-136); government bonds (pp. 177-181). It also contains an address on the relations of the public and investors in utility enterprises. by Travis H. Whitney of the Public Service Commission, New York.
- Short-term bond yield charts.* Seven blueprints. (New York: Guaranty Trust Co. 1918.)
- Uniform cost accounting system.* (Seattle, Wash.: West Coast Lumbermen's Association. 1919. Pp. 214. \$25.)
- United States War Industries Board. An outline of the board's origin, functions, and organization.* Compiled as of November 10, 1918. (Washington: Supt. Docs. 1918. Pp. 52.)
- War emergency courses in employment management.* (Washington: Supt. Docs. 1919. Pp. 8.)

### Labor and Labor Organizations

- The Arbitral Determination of Railway Wages.* By J. NOBLE STOCKETT, JR. Hart Schaffner and Marx Prize Essays, No. XXXVI. (Boston: Houghton Mifflin Company. 1918. Pp. xxv, 198. \$1.50.)

The clear analysis and excellent style of this little volume must always make it a matter of extreme regret that its author did not live long enough to make additional contributions to the literature of his chosen subject. He died in September, 1916, just after the award of his doctor's degree and his entrance upon academic duties at Dartmouth College.

Four general principles used in fixing wages for railway employees by government arbitration tribunals in the United States and Canada in connection with their hearing and determination of industrial disputes are reviewed in this volume. It must not be understood that the arbitration boards have always been guided

by one or more of these principles, or, indeed, by any principle, except that of expediency, in their decisions. As Dr. Stockett has said: "Arbitration, as it is now practiced, is merely mediation conducted under the guise of judicial procedure." It was in the hope of presenting "a reasonable principle of wages" to take the place of these compromises that this book was written.

1. *Standardization* of railway wages, *i.e.*, "the uniform application of a standard rate of pay for a given grade of employment within a certain area," has been most often advanced by railway employees on American and Canadian roads and has been the most influential factor in the settlement of wage disputes. At times standardization has been demanded for an entire railway system: at other times it has been claimed for all roads within a given district and, of late, the claim for *national* standardization has been advanced by the railway employees in the eastern part of the country. The employees always couple their demand for standardization with the demand that rates already in existence which are higher than the standard rate shall not be reduced.

The railroad managers object to standardization on the ground that wages should not be uniform where conditions are not uniform. The arbitration boards have nearly always granted system standardization, have varied in their attitude toward district standardization and have not yet given their approval to national standardization.

Dr. Stockett favored standardization on the practical ground that standard rates are the inevitable concomitant of collective bargaining.

2. *The living wage* as a principle for wage determination has frequently been put forward by the lower paid employees on the railroads and has not been objected to, *as a principle*, by the managements of the roads. The objections made have been on the ground that the wages already paid were as high as were paid for similar work on other roads or in other employments, or that the roads on which the demands were made were not doing a profitable business and could not, therefore, be expected to make any increase of wages. Arbitration boards have generally recognized the validity of the claim for a living wage but have frequently not granted the full amount asked for because of the unprofitable character of the roads' business. Dr. Stockett took the position that "an amount sufficient to secure a normal standard of living" should be allowed under all circumstances.

3. *The increased cost of living* has often during the past ten or twelve years been put forward by railway employees as a reason for demanding higher wages. The attorneys for the roads have sometimes objected to the principle itself, claiming that wages should be based on the value of the service, not on the cost of living. More often their objection has been that the evidence offered by the men as to the increase in the cost of living has been insufficient and they have also said that the roads' own "cost of living" has also increased and yet they are allowed no increase in rates wherewith to meet the demands of their employees. Arbitration boards in both the United States and Canada have usually recognized the increased cost of living as a valid claim for an increase of wages. Dr. Stockett admitted that the statistical evidence put forward by the men to support their claim that an increase in the cost of living had taken place was often unsatisfactory but he claimed that the principle itself was sound not only for the lower grades of workers but that corresponding advances should be made to the better paid employees in order to enable them to maintain their higher standards of living.

4. The principle of *increased productive efficiency as put forward* by the railway employees during the last ten or fifteen years has not been based so much on evidence of increased efficiency of the individual worker as on the advancing productive capacity of the train machine. The employees claim that "if the efficiency of the train machine is increased, the efficiency of those employees in any way connected with its operation is increased in a like degree." The managers of the roads have offered strenuous objections to this claim and have declared that "there is no tangible relation between the work of the employees and increased output." The arbitration tribunals have not as yet taken a definite position in regard to this matter but their tendency is, at present, to reject the employees' claim, except where the evidence shows that the increased productivity has been accompanied by increased labor, risk, or responsibility of the employees.

While admitting that the "specific productivity" theory offers no aid to the arbitrators as a means of adjusting the wages of railway employees and further admitting that "the claim that employees contribute to increased output resulting from the improved train machine is unsubstantiated," Dr. Stockett, nevertheless, argued that increased productive efficiency might present a basis for wage advances on the ground that "where profits are advanc-

ing as a result of the introduction of machinery, society may be benefited through a general advance in wages of labor attended with the least amount of friction between employers and employees and with the least chance of additional burden upon the public." It is evident that this is equivalent to saying that wages should be determined not by economic principles but by social expediency. The author further emphasized this way of looking at the problem when he later contended that inability of the industry to pay should not be allowed to affect wage advances and that wages should seldom, if ever, be reduced during periods of business depression.

Not alone students of the labor problem will profit from a study of this well written volume. Students of economic theory will find it valuable as a means of testing the validity and practicability of their theories when an attempt is made to apply them to the problem of wage determination.

M. B. HAMMOND.

*Ohio State University.*

*Unemployment and American Trade Unions.* By D. P. SMELSER.  
(Baltimore: The Johns Hopkins Press. 1919. Pp. 154.)

Dr. Smelser makes a valuable contribution to the study of the problem of unemployment in this monograph dealing with the methods and policies of trade unions designed to provide employment and prevent idleness among their members. Up to the present, most students of the subject have treated the employment policies of trade unions in generalities only. When our public authorities begin to deal with unemployment seriously as a permanent industrial problem, the practice of American trade unions will be a better basis for action than any European experience, because organized labor will support no unemployment program that does not embody its main policies, if for no other reason. And a government program for dealing with unemployment, however well designed, cannot succeed without the support of organized labor.

Two main sources of information as to the extent and nature of unemployment among organized wage-earners are considered by the author: the statistics published by the states of Massachusetts and New York, and the returns gathered by trade unions themselves. The New York statistics show a percentage of unemployment more than double that of Massachusetts, and this is ex-